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By Rebekah Gordon, INSIDE THE NAVY

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The Navy must figure out a way to leverage the \$3.2 billion it has already spent in research and development of the canceled VH-71 presidential helicopter, the chairman of the House Appropriations defense subcommittee said last week, calling it "unacceptable" to do otherwise.

His concerns over the true cost of canceling the program were echoed by several lawmakers last week, who are pushing to continue with a first increment of the program.

"We're still trying to figure out if there's not a way we can use some of this money that we've already spent on research and get some benefit out of this research," Rep. John Murtha (D-PA) said at June 3 subcommittee hearing on the Navy's fiscal year 2010 budget request. "This is unacceptable that we would spend so much money and get nothing out of it."

Chief of Naval Operations Adm. Gary Roughead, who testified before the House panel, told reporters following the hearing that it was too soon to know if or how the Navy might put the already-spent money to use.

"This happened two days ago," Roughead said, referring to the notification given by the Navy to prime contractor Lockheed Martin on June 1 that officially terminated the program. "We have the money there to study the way ahead and we'll have to take a look to see what the right way forward will be."

The Navy's FY-10 budget request includes \$85.2 million for terminating the program and to fund the early steps of development of a new presidential helicopter program.

The VH-71 program, meant to replace the VH-3D and VH-60N fleet of 19 aircraft built in the 1970s and late 1980s, respectively, has become a lightning rod, an example of a program over cost and behind schedule. Earlier this year, President Obama called the effort -- which doubled in price from \$6.5 billion to about \$13 billion -- acquisition "gone amok." In January, the Defense Department notified Congress that the cost growth triggered a Nunn-McCurdy breach, subjecting the program to review and cancellation unless certified for continuation by the defense secretary.

The program, which was developed after the Sept. 11 attacks, was to be divided into two phases; five helicopters in the first increment, which had an initial operational capability of April 2011, and a second, more expensive and advanced increment of up to 23 helicopters with an initial operational capability of 2017.

According to a June 3 Congressional Research Service report titled "VH-71 Presidential Helicopter Program: Background and Issues for Congress," in addition to the \$3.2 billion already spent, the Navy stated in February it would cost \$555 million overall to terminate the VH-71 program including \$405 million for Increment 1 and \$150 million for Increment 2. The report also outlines a cost figure of \$4.4 billion associated with a service life extension program for the 19 current helicopters.

In a bid to avoid an all-out cancellation of the program and capitalize on the \$3.2 billion spent, Lockheed indicated in March that it could deliver a fleet of 19 VH-71s based solely on Increment 1 -- the five production aircraft already built and 14 more -- by 2107 for \$6.8 billion.

But in announcing the FY-10 budget request in April, Gates dismissed suggestions to build only the first increment of the new helicopters and cancel the second.

"I believe this is neither advisable nor affordable," he said at the time.

Lockheed had since stated that it is complying with the termination request.

However, some lawmakers are intent on pursuing the 19 aircraft suggestion, including Rep. Roscoe Bartlett (R-MD), who is likely to become the ranking member on the House Armed Services Committee if Rep. John McHugh (R-NY) is confirmed as Army secretary.

In a June 4 conference call with reporters organized by the Lexington Institute, a think tank that advocates for the private sector, Bartlett said he was in favor of producing the 19 Increment 1 aircraft to "capitalize on the tremendous investment that's already been made."

Bartlett had strong words for the cancellation move, stating that Gates "acted outside of his prerogative in simply canceling this program with no consultation to the Congress," adding that he wasn't sure if the cancellation move was "morally or legally" what the Navy should have done.

"This really is going to cost a whole lot more money, and for quite a long while the president will be flying around in an inadequate helicopter," Bartlett said.

He added that he had been "assured" by subcontractor

AgustaWestland, who had a subcontract with Lockheed Martin for building the VH-71 airframe, could "do their part of it well within the \$6.8 billion original forecast" for a 19-aircraft Increment 1 program at a firm fixed price.

"We know exactly what it's going to cost to make that helicopter," Dan Hill, an AgustaWestland spokesperson, confirmed. "And we know we can deliver our portion for that cost."

Assembled at Lockheed's facility in Owego, NY, the VH-71 cancellation plan has also been met with resistance from New York state's lawmakers, particularly subcommittee member Rep. Maurice Hinchey (D-NY) whose district includes Owego. Job cuts are expected at the facility; Hinchey is also aiming to keep Increment 1 in place.

In a statement issued June 2, Hinchey noted that the decision on the program rests with Congress and that "the administration is ignoring the fact that it would be far more costly to cancel the program and rebid it than it would be to continue the construction of the helicopters currently being produced by Lockheed Martin."

Connecticut lawmakers, meanwhile, who represent the home state for Sikorsky Aircraft, the maker of the existing fleet, have voiced their hope for a competition for a new replacement program.

Speaking to reporters following the hearing, Murtha expressed his support to hanging onto Increment 1 as well.

"If I had my way, we're going to figure out a way to spend some of that \$3.2 billion to build the one version that's but the chief appropriator's wishes were doused with a touch of fiscal restraint.

"But I don't know that we can do that," he continued. "I mean, with the budget constraints we have, I don't know."